

CONTRACT #2
RFS # 305.04-002

Department of State
Division of Library
& Archives

VENDOR:
The Gale Group



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman

Representatives

Harry Brooks	Mary Pruitt
Curt Cobb	Donna Rowland
Bill Dunn	David Shepard
Dennis Ferguson	Curry Todd
Craig Fitzhugh, <i>ex officio</i>	
Speaker Jimmy Naifeh, <i>ex officio</i>	


Sen. Don McLeary, Vice-Chairman

Senators

Mae Beavers	David Fowler
Jim Bryson	Steve Southerland
Steve Cohen	
Douglas Henry, <i>ex officio</i>	
Lt. Governor John S. Wilder, <i>ex officio</i>	

M E M O R A N D U M

TO: Members of the Contract Services Subcommittee

FROM: James W. White 
Executive Director

DATE: September 20, 2005

RE: Non-Competitive Amendment Request

Attached is information pertaining to a proposed sole-source contract from the Secretary of State that had been scheduled before the Subcommittee on September 14. This contract will expand access to the Tennessee Electronic Library. The amendment will combine individual subscriptions that libraries across the state have with the Gale Group for a periodical database into a single contract with the Library and Archives. The participating libraries will contribute the funds for their current separate subscriptions to the Library and Archives in exchange for access to the expanded database. The individual library funds will be combined with federal funds to pay for expanded services.

As you will recall, no one from the Secretary of State's office appeared at the Sept. 14 meeting and it was rolled to the next meeting. We subsequently determined that the Subcommittee did not need to meet on Sept. 28 due to a lack of new contracts for review. After this determination was made, I was contacted by the Secretary of State's office and was notified that there was some time sensitivity in this contract and that it needed to be acted upon before Sept. 30. As a result, I am forwarding to you the information and an explanatory memo from the State Librarian to poll you as to your views on approving this contract

If you view it as sufficiently non-controversial that the Secretary of State can go ahead with the contract (and still appear before the Committee on Oct. 12 for further explanation),

Members of the Contract Services Subcommittee
September 20, 2005
Page 2

we will notify the Secretary of State so that he can proceed. If you do not want to consider this contract without an appearance by the Secretary of State before the Subcommittee to answer questions, let me know and we will tell the Secretary of State that as well. We need to get your response by the end of this week.

I apologize for this unusual procedure and do not anticipate that it will be used again, except in extraordinary circumstances. If you have any questions or concerns, please let me know.

JWW:lsc

RILEY C. DARNELL
Secretary of State

Jeanne D. Sugg
State Librarian and Archivist
(615) 741-7996

Fax
(615) 741-6471

TDD
(615) 741-1549

Web Site Address
www.tennessee.gov/isla

State of Tennessee



Department of State

Tennessee State Library and Archives
403 Seventh Avenue North
Nashville, Tennessee 37243-0312

Archives Development
(615) 253-3458

Archives Technical Services
(615) 741-2561

**Library for the Blind and
Physically Handicapped**
(615) 741-3915

Library Technical Services
(615) 741-2561

Planning and Development
(615) 741-3158

Public Services
(615) 741-2764

Preservation Services
(615) 741-2997

MEMORANDUM

TO: Fiscal Review Committee

FROM: Jeanne D. Sugg

DATE: 9/19/2005

RE: Non-Competitive Amendment Request

Many of the participating libraries who wish to share in the joint purchase of Literature Resource Center have current contracts with The Gale Group set to expire September 30. Without a new contract starting October 1, these libraries will either be forced to lose access to this database for a period of time until the joint contract can be secured or sign a new contract independently of the joint purchase. Losses to the State could be as high as \$125,000 if the contract is not approved by October 1, 2005.

Additionally, The Gale Group has agreed to credit all existing institutions with unexpired contracts as of October 1, thereby significantly lowering the cost to the entire state for the first year. This cost savings amounts to \$323,073.38. With every month of delay to the contract, this number will be significantly lowered.

Thank you for your assistance in this matter.



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David Fowler
Steve Southerland

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Charles Curtiss, Chairman
Don McLeary, Vice-Chairman

DATE: September 15, 2005

SUBJECT: Contract Comments
(Contract Services Subcommittee Meeting 9/14/05)

RFS# 305.05-002

Department: State/Division of Library & Archives

Contractor: The Gale Group

Summary: For the past six years the Tennessee Electronic Library (TEL) has provided access to periodical services with articles available electronically in full-text. This amendment would add the Literature Resource Center to the TEL allowing all residents to have access to a comprehensive literature database. The term of the contract does not change with this amendment and the maximum liability increases by \$500,000.

Original maximum liability: \$3,000,000

Maximum liability with amendment: \$3,500,000

After review, the Fiscal Review Committee voted to postpone action on the contract amendment until the next meeting.

cc: The Honorable Riley Darnell, Secretary of State
Jeanne Sugg, State Librarian and Archivist, Department of State
Robert Barlow, Director, Office of Contracts Review

Leni Chick

From: Sherlene Holt [Sherlene.Holt@state.tn.us]
Sent: Thursday, September 22, 2005 1:26 PM
To: Leni Chick
Subject: Re: Additional Information

Leni:

Our actual expenditures for the Gale Group are:

FY 2003	\$750,000
FY 2004	\$750,000
FY 2005	\$750,000

If you need anything else, just let me know.

Sherlene

>>> "Leni Chick" <leni.chick@legislature.state.tn.us> 09/22/05 10:46 AM
>>>

Good Morning:

At the meeting on September 14, 2005, members of the Contract Services Subcommittee voted to direct the departments to provide the Committee with actual expenditures each year in addition to the allotted expenditures included on the Contract Summary Sheet.

Please provide the actual expenditures each year regarding the Contract with The Gale Group. We already have the Contract Summary Sheet for this contract. Thank you for your assistance.

Leni S. Chick
Fiscal Analyst
Fiscal Review Committee
8th Floor, Rachel Jackson Building
320 Sixth Avenue, North
Nashville, Tennessee 37243
(615) 253-2048 (phone)
(615) 253-0318 (fax)

REQUEST: NON-COMPETITIVE AMENDMENT

RECEIVED

SEP 01 2005

FISCAL REVIEW

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #

305.04-002

2) State Agency Name :

Department of State, Tennessee State Library and Archives

EXISTING CONTRACT INFORMATION

3) Service Caption :

To Provide On-Line Electronic Periodical Services

4) Contractor :

The Gale Group

5) Contract #

FA-03-15065-00

6) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)

09-30-2002

7) Current Contract End Date IF all Options to Extend the Contract are Exercised :

09-30-2007

8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised :

\$3,750,000.00

PROPOSED AMENDMENT INFORMATION

9) Proposed Amendment #

002

10) Proposed Contract End Date IF all Options to Extend the Contract are Exercised :

9-30-2007

11) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised :

\$4,750,000.00

12) Approval Criteria :
(select one)☐

use of Non-Competitive Negotiation is in the best interest of the state

☒

only one uniquely qualified service provider able to provide the service

13) Description of the Proposed Amendment Effects & Any Additional Service :

By adding Literature Resource Center to the Tennessee Electronic Library, all residents of the state will have access to a comprehensive literature database through the existing TN Electronic Library. The resources will include:

- More than 415,000 full-text journal articles from more than 250 literary journals
- 44,000 critical essays
- 5,000 work overviews, plot summaries and explications
- Nearly 6,000 links to authoritative related Web sites
- More than 122,000 author biographies
- Nearly 3,000 author portraits

- Merriam-Webster's Encyclopedia of Literature, featuring 10,000 definitions of literary terms

14) Explanation of Need for the Proposed Amendment :

The Tennessee Electronic Library has provided access to periodical services with articles immediately available electronically in full-text for six years. The goal of the TEL project is to make online library resources accessible statewide to all Tennessee residents from any computer with internet access. Coverage in the collection includes business, consumer health, popular materials, current events, homework help and scholarly research in the humanities. Access to a comprehensive literature database will round out the virtual library by providing full-text and scholarly materials of literature - a subject that all libraries need. A survey of libraries that use the TN Electronic Library shows that a literature database is the number one priority for additional content in the collection.

15) Name & Address of Contractor's Current Principal Owner(s) :

(not required if proposed contractor is a state education institution)

The Gale Group
27500 Drake Road
Farmington Hills, MI 48331

16) Documentation of Office for Information Resources Endorsement :

(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

☒

Documentation Attached to this Request

17) Documentation of Department of Personnel Endorsement :

(required only if the subject service involves training for state employees)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

18) Documentation of State Architect Endorsement :

(required only if the subject service involves construction or real property related services)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

19) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

After establishing the need for a literature database and determining the content needed within that database, it was found that the content was only distributed by one vendor. Thomson Gale owns the content to the information that librarians wish to offer their patrons and is the only vendor to distribute that content.

20) Justification for the Proposed Non-Competitive Amendment :

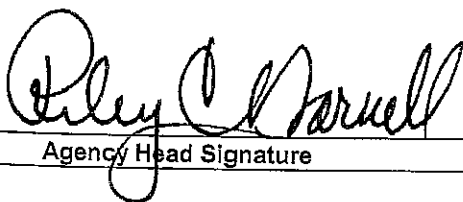
Librarians have offered literature resources to patrons via print sources for many years and have learned which sources serve the most patrons the most economically. Because of this in-depth collection development knowledge and understanding of what is available in both print and non-print sources, it is overwhelmingly agreed upon throughout the state that Literature Resource Center (proprietary content from the Thomson Gale Corporation) is the only vendor available to supply this information.

In place already is the TN Electronic Library, a set of nineteen databases available to every resident in the state. Through the electronic library, the State already subscribes to other databases from Thomson Gale and therefore would not need to spend time doing additional setup or configuration with this additional database. All databases from Thomson Gale are completely web-enabled and reside on the servers at the vendor location. Therefore, the State does not need to purchase, load or maintain any hardware or software as all on-going maintenance is provided by Thomson Gale.

The implementation of this database can be immediate upon completion of the contract amendment since the interface for the database is already in place. Most importantly, current TEL users are already familiar with the Thomson Gale platform so no additional training for this database need take place. It will be a seamless addition to the TN Electronic Library.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature

Date

8/25/05

Riley O. Darnell
Secretary of State

State of Tennessee

Jeanne D. Sugg
State Librarian and Archivist



Department of State

Tennessee State Library and Archives
403 Seventh Avenue North
Nashville, Tennessee 37243-0312

September 1, 2005

To: James White
Executive Director, Fiscal Review Committee

From: Jeanne Sugg 
State Librarian and Archivist

RE: Request for approval of Non-Competitive Amendment

We request approval of an amendment to our current Thomson/Gale, Inc. contract in order to add the following service to the Tennessee Electronic Library:

By adding the Literature Resource Center, all residents of the state will have access to a comprehensive literature database with more than 500,000 full text journal articles.

The funding for this addition to TEL will be made possible by the statewide cooperation of academic and public libraries that are currently subscribing to this database. These institutions will consolidate their individual subscription purchases with additional federal funds from the State Library. This combined total funding will provide access to all public, private, K-12 special and academic libraries with additional remote at-home access for the citizens of Tennessee.

By adding this to our current contract there will be no delay in access since it will be provided through our current TEL interface.

Thank you for your assistance in this matter.

Draft

**AMENDMENT 002
TO CONTRACT FA-03-15065-00**

This contract, by and between the State of Tennessee, DEPARTMENT OF STATE, TENNESSEE STATE LIBRARY AND ARCHIVES hereinafter referred to as the State, and THE GALE GROUP, hereinafter referred to as the "Contractor", is hereby amended as follows:

1. Amend Section A to add A.2:
 - A.2. Contractor will include Literature Resource Center in the Tennessee Electronic Library and make it available to all current and future TEL participants.
2. Delete Section C.1 in its entirety and insert the following in its place:
 - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Three and a Half Million Dollars (\$3,500,000.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.
3. Delete Section C.3 in its entirety and insert the following in its place:
 - C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

SERVICE UNIT/MILESTONE	AMOUNT
ANNUAL FLAT FEE FOR ALL PROPOSED SERVICES	\$1,250,000.00

The Contractor shall submit annual invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment.

The other terms and conditions of this contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

THE GALE GROUP:

Dennis Stepaniak, Chief Financial Officer**Date****TENNESSEE STATE LIBRARY AND ARCHIVES:**

Jeanne D. Sugg, State Librarian and Archivist**Date****DEPARTMENT OF STATE, OFFICE OF SECRETARY OF STATE:**

Riley C. Darnell, Secretary of State**Date****APPROVED:****DEPARTMENT OF FINANCE AND ADMINISTRATION:**

M. D. Goetz, Jr., Commissioner**Date****COMPTROLLER OF THE TREASURY:**

John G. Morgan, Comptroller of the Treasury**Date**

CONTRACT SUMMARY SHEET

8-8-05

RFS#		Contract #	
		FA-03-15065 . 01	
State Agency		State Agency Division	
DEPARTMENT OF STATE		LIBRARY AND ARCHIVES	
Contractor Name		Contractor ID # (FEIN or SSN)	
THE GALE GROUP		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 06-1411737.01	
Service Description			
TO PROVIDE ON-LINE ELECTRONIC PERIODICAL SERVICES			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
SEPTEMBER 30, 2002	SEPTEMBER 30, 2006	VENDOR	45.310

Mark, if Statement is TRUE

<input checked="" type="checkbox"/> Contractor is on STARS as required			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
305.04	27116	089	11	057	
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2003		\$750,000.00			\$750,000.00
2004		\$750,000.00			\$750,000.00
2005		\$750,000.00			\$750,000.00
2006		\$750,000.00			\$750,000.00
					\$750,000.00
TOTAL:		\$3,000,000.00			\$3,000,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2003	\$750,000.00	
2004	\$750,000.00	
2005	\$750,000.00	
2006		\$750,000.00
TOTAL:	\$2,250,000.00	\$750,000.00
End Date:	9/30/05	9/30/06

State Agency Fiscal Contact & Telephone

SHERLENE HOLT 741-2683

State Agency Budget Officer Approval

Mark L. Hood

Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Contractor Ownership

<input type="checkbox"/> African American	<input type="checkbox"/> Disabled	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

Contractor Selection Method

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Government	<input type="checkbox"/> Other

Procurement Process Summary

CONTRACT SUMMARY SHEET

RFS Number:	RFS-305.04-002	Contract Number:	FA-03-1106500
State Agency:	DEPARTMENT OF STATE	Division:	LIBRARY AND ARCHIVES
Contractor:		Contractor Identification Number:	
THE GALE GROUP		X	V-
			C-
		06-1411737.01	

Service Description

TO PROVIDE ON-LINE ELECTRONIC PERIODICAL SERVICES

Contract Begin Date:	Contract End Date:
30-Sep-02	30-Sep-05

Allotment Code:	Cost Center:	Object Code:	Fund:	Grant:	Grant Code:	Subgrant Code:
305.04	27116	O89	11	X	on STARS	

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments
2003		\$750,000.00			\$750,000.00
2004		\$750,000.00			\$750,000.00
2005		\$750,000.00			\$750,000.00
					\$0.00
					\$0.00
					\$0.00
Total	\$0.00	\$2,250,000.00	\$0.00	\$0.00	\$2,250,000.00

CFDA Number:	45.310
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State Fiscal Contact		Check the box (below) ONLY if the answer is YES	
Name:	SHERLENE HOLT	Is the Contractor a SUBRECIPIENT? (per OMB A-133)	X
Address:	WM SNODGRASS TOWER, 7TH FLOOR	Is the Contractor a VENDOR? (per OMB A-133)	
Phone:	741-2683	Is the Fiscal Year Funding STRICTLY LIMITED?	
Procuring Agency Budget Officer Signature:		Is the Contractor on STARS?	X
		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractor's Form W-9 Filed with Accounts?	X

Funding Certification	
Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.	

COMPLETE FOR ALL AMENDMENTS (only)		
Base Contract & Prior Amendments	This Amendment ONLY	
End Date >		
FY		
FY		
FY		
FY		
FY		
FY		
Totals	\$0.00	\$0.00

RECEIVED
2002 SEP 16 PM 12:57
COMPTROLLER'S OFFICE
OFFICE OF
MANAGEMENT SERVICES

SEP 30 2002
DIRECTOR OF ACCOUNTS